

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

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ESTATE OF RICHARD SIEGAL,)	
DECEASED)	
GAIL SIEGAL, ADMINISTRATOR CTA)	
)	Case No. 2:16-cv-06411
Plaintiff,)	
)	District Judge Denis R. Hurley
v.)	
)	Magistrate Judge Anne Y. Shields
UNITED STATES OF AMERICA,)	
)	
Defendant.)	
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JOINT REPORT OF THE PARTIES' PLANNING MEETING

On May 11, 2017, the parties conferred pursuant to Fed. R. Civ. P. 26(f), and respectfully submit this report and the attached Discovery Plan Worksheet.

1. DISCLOSURES

The parties will exchange, by June 26, 2017, the initial disclosures required by Rule 26(a)(1). The parties do not anticipate further revisions to the requirements regarding disclosures under Rule 26(a).

2. SCOPE OF DISCOVERY

The parties agreed that discovery does not need to be conducted in phases or tiers, and have sought an order approving a stipulation to that effect. (Docket Nos. 23-24.)

The parties also discussed the substantial volume of discovery that they anticipate in this case. The United States' counterclaim seeks money judgments for the \$32 million in penalties that the IRS assessed pursuant to 26 U.S.C. § 6700, which imposes penalties against promoters of abusive tax shelters. The counterclaim alleges that Richard Siegal organized and sold an abusive oil and gas investment structure that involved dozens of partnerships and hundreds of

individual customers over a lengthy period of time. The counterclaim also alleges that Mr. Siegal's conduct led to his customers claiming over \$1.3 billion in bogus tax deductions based on "intangible drilling costs" related to oil and gas wells located throughout the United States.

The parties anticipate significant discovery related to the organization, promotion, and sale of the numerous partnership interests at issue. The United States anticipates seeking significant discovery of data related to the operation and drilling of the approximately 1,300 oil and gas wells in which the partnerships claimed an interest, although the parties recognize that this such documentation is extensive and will cooperate regarding the volume of material sought. The parties anticipate seeking discovery not only from the entities that Mr. Siegal controlled and operated, but also from the various third-parties that may have operated or drilled some of the wells. Finally, the parties anticipate the need for expert witnesses to opine on various matters related to the oil and gas industry.

Given the significant discovery required for this case, the parties jointly propose the attached schedule, which allows for a reasonable amount of time for completion of that discovery.

3. ELECTRONICALLY STORED INFORMATION ("ESI")

The parties may request e-mail and other electronic communications and electronically stored financial/accounting information in native form, to the extent the requested information can be produced at a cost reasonable under the circumstances and without undue burden to the producing party. The parties do not anticipate the United States producing ESI in native format. Any documents produced by the United States will be in printed form via .pdf or .tiff images.

4. PRIVILEGE

The parties do not anticipate any privilege disputes.

5. **MODIFICATIONS TO DISCOVERY LIMITS**

The parties agreed that each party may take a total of not more than fifty (50) depositions.

The parties hope that fewer will be needed.

Dated: July 7, 2017

Respectfully submitted,

/s/ Steven M. Kaplan (w/permission)

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CERTIFICATE OF SERVICE

I hereby certify that on July 7, 2017, I electronically filed the foregoing JOINT REPORT OF THE PARTIES' PLANNING MEETING with the Clerk of Court using the CM/ECF system which will notify all registered participants, including:

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